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ATTORNEYS FOR HAYCO REALTY, LTD.

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
FORT WORTH DIVISION

IN RE:	§	
	§	CASE NO. 22-40941-elm11V
KHAF CORPORATION,	§	
	§	(Subchapter 5)
DEBTOR.	§	CHAPTER 11
	§	Preliminary Hearing: June 8, 2022
	§	at 9:30 a.m.

**AFFIDAVIT OF JAMES HOGG IN SUPPORT OF MOTION FOR RELIEF  
FROM AUTOMATIC STAY AGAINST 1680 HICKORY DRIVE, HALTOM CITY,  
TEXAS 76117, OR, IN THE ALTERNATIVE, MOTION FOR ADEQUATE  
PROTECTION RELATED THERETO**

NOTICE: PURSUANT TO LOCAL BANKRUPTCY RULE 4001.1(E), ANY RESPONDING PARTY MUST SERVE EVIDENTIARY AFFIDAVITS AT LEAST 48 HOURS IN ADVANCE OF THE PRELIMINARY HEARING DATE STATED ABOVE.

STATE OF TEXAS       §  
                                  §  
COUNTY OF TARRANT   §

BEFORE ME, the undersigned authority, on this day personally appeared James Hogg, Affiant, who, being by me duly sworn upon his oath, deposed and stated as follows:

1. "My name is James Hogg. I am the Property Manager for Haydn Cutler Company, which is the Management Company for Hayco Realty, Ltd. ('Hayco'). Hayco is a party-in-interest in this bankruptcy case and is prosecuting the Motion for Relief from Automatic Stay as to 1680 Hickory Drive, Haltom City, Texas 76117, or, in the Alternative, Motion for Adequate Protection Related Thereto filed in the above-styled and numbered proceeding on May 19, 2022 (the 'Motion').

I am authorized to give this Affidavit on behalf of Hayco. I am over eighteen years of age, I am of sound mind, and I am competent to make this Affidavit. I have never been convicted of a felony or of a crime of moral turpitude. I am the employee of Haydn Cutler Company, which is the Management Company for Hayco, who is primarily responsible for handling the management of the Leased Premises described and defined below and the collection of all payments and other obligations due under the Lease related thereto that is described and defined below. I have reviewed all relevant documents related to this matter, including, but not limited to, the Lease, the account history for the Lease, and the documents and correspondence related to Hayco's purchase of the Leased Premises. By virtue of my position with Hayco, my review of Hayco's files related to this matter, and my personal dealings with the matters made the subject of my Affidavit, I have personal knowledge of the facts stated herein and, except those statements based upon information and belief, they are true and correct.

2. "I am one of the custodians of records of the Management Company for Hayco and all exhibits attached to this Affidavit are kept by it in the regular course of its business, and it was the regular course of business of the Management Company for Hayco for an employee or representative of the Management Company for Hayco, with knowledge of the act, event, condition, or diagnosis recorded, to make the record or to transmit information thereof, to be included in such record; and the record was made at or near the time or reasonably soon thereafter. The exhibits attached hereto are exact duplicates of the originals.

3. "On or about May 21, 2019, Edgar R. Rodriguez, an individual ('Rodriguez'), leased a commercial warehouse building consisting of approximately 54,636 square feet located at 1680 Hickory Drive, Haltom City, Texas 76117 (the 'Leased Premises'), pursuant to and as evidenced by the terms of that one certain Lease Agreement of even date executed by Rodriguez, as Tenant, and Prism Partners, LLC ('Prism Partners'), as Landlord (the 'Lease'). A true and correct copy of the Lease is attached hereto as Exhibit 'A' and is incorporated herein by reference as if fully set forth herein. The term of the Lease commenced on June 1, 2019, with an initial expiration date of July 31, 2024. In consideration of Prism Partners' agreement to lease the Leased Premises to Rodriguez, Rodriguez agreed to, among other things, provide monthly payments of Base Rent (as defined therein), plus an estimate for taxes and insurance. Additionally, Rodriguez provided a security deposit of \$20,000.00 (the 'Security Deposit') to Prism Partners that it could utilize at its option to pay overdue rent or any other sums due under the Lease.

4. "On or about April 23, 2021, Hayco purchased the Leased Premises from Prism Partners. In connection therewith, Prism Partners and Hayco executed an Assignment and Assumption of Lease under which Hayco succeeded to all right, title and interest of Prism Partners as landlord under the Lease, including, but not limited to, Prism Partners' interest in the Security Deposit. A true and correct copy of the Assignment and Assumption of Lease is attached hereto as Exhibit 'B' and is incorporated herein by reference as if fully set forth herein. Hayco is the current owner and holder of the Lease and is entitled to all right, title and interest therein and all benefits therefrom.

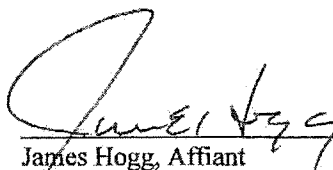
5. "On or about May 4, 2022, Hayco received notice of the filing of this bankruptcy case by Khaf Corporation, Debtor herein ('Khaf'). This notice was the first notice Hayco received that Khaf is occupying the Leased Premises. Rodriguez never validly assigned, subleased, or

transferred, or, on information and belief, attempted to assign, sublease, or transfer the Lease to Debtor. Hayco, and, on information and belief, Prism Partners, has not and never consented to any purported assignment, sublease, or transfer of the Lease from Rodriguez to Debtor, and Hayco has exercised its right under the Lease to void any such attempted assignment, sublease, or transfer.

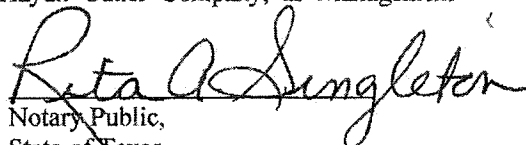
6. "Rodriguez is in default under the Lease because, among other things, he has failed to pay the rentals due under the Lease. Specifically, Hayco has not received the full rental payments of Base Rent plus the estimate for taxes and insurance that were due for the months of August and September of 2021, plus the full Base Rent plus the estimate for taxes and insurance due for the months of April and May of 2022, totaling the aggregate delinquent sum of \$47,709.44 as of the date of the execution of this Affidavit, plus all other costs, fees and expenses allowable under the terms of the Lease. Rodriguez has also defaulted under the terms of the Lease because he is no longer occupying the Leased Premises and he has presumably attempted to assign, sublease, or transfer the Lease to Debtor without Hayco's written consent in violation of the terms of the Lease.

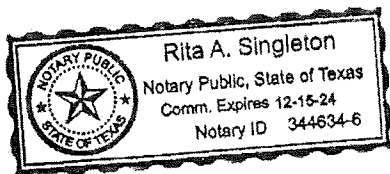
7. "Hayco is currently in possession of the Security Deposit by virtue of its purchase of the Leased Premises from Prism Partners and the Assignment and Assumption of Lease agreement described above. The Security Deposit is currently held by Hayco to satisfy any unpaid rent and other sums currently due under the Lease. The current monthly payments due under the Lease for Base Rent plus the estimate for taxes and insurance equal \$23,590.48 per month. Hayco has not received the full rental payments of Base Rent plus the estimate for taxes and insurance that were due for the months of August and September of 2021, plus the full Base Rent plus taxes and insurance due for the months of April and May of 2022. The amount currently due for the Base Rent plus the estimate for taxes and insurance for the months of August and September of 2021 totals \$528.48, and the amount currently due for the full Base Rent plus the estimate for taxes and insurance due for the months of April and May of 2022 totals \$47,180.96 (\$23,590.48 x 2 months)."

FURTHER, AFFIANT SAYETH NOT.

  
James Hogg, Affiant

SUBSCRIBED AND SWORN TO BEFORE ME on this 27<sup>th</sup> day of May, 2022, by James Hogg, in his capacity as the Property Manager for Haydn Cutler Company, as Management Company for Hayco Realty, Ltd.

  
Notary Public,  
State of Texas



**CERTIFICATE OF SERVICE**

I hereby certify that on this 27<sup>th</sup> day of May, 2022, a true and correct copy of this document was served electronically or by U.S. first class mail, postage prepaid, on the following:

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By: 

Matthew T. Taplett

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